

FIG. 1  
PRIOR ART

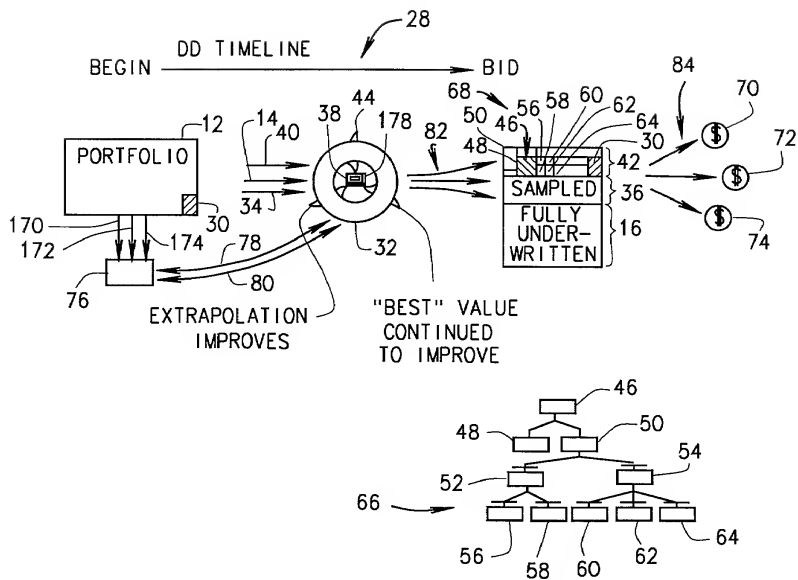


FIG. 2



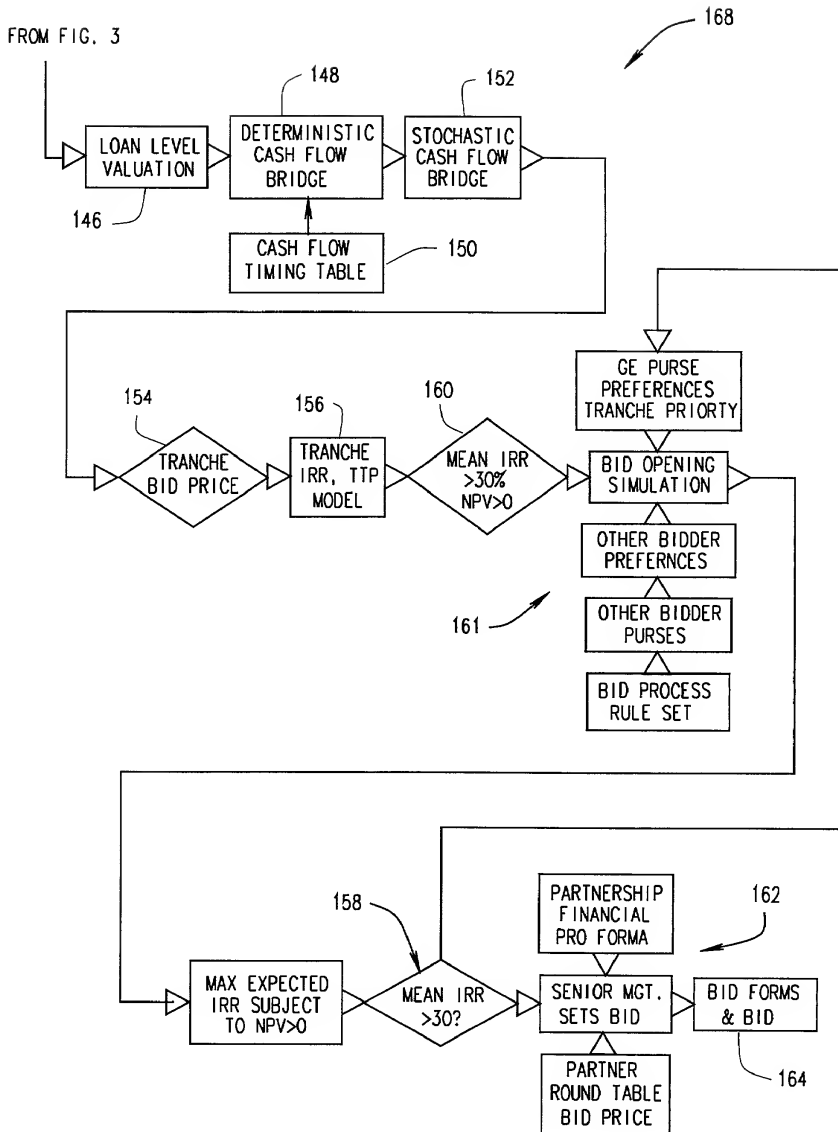


FIG. 4

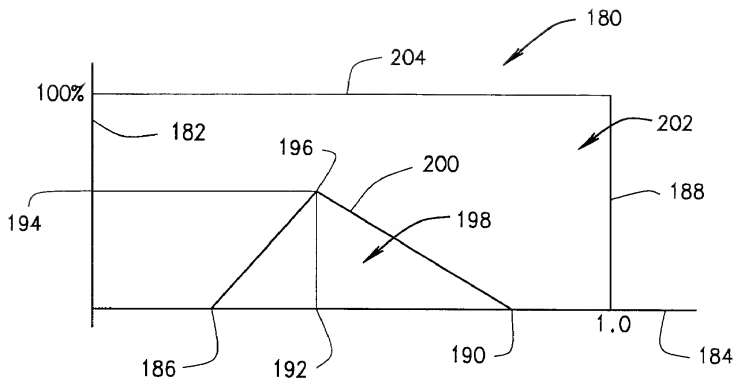


FIG. 5

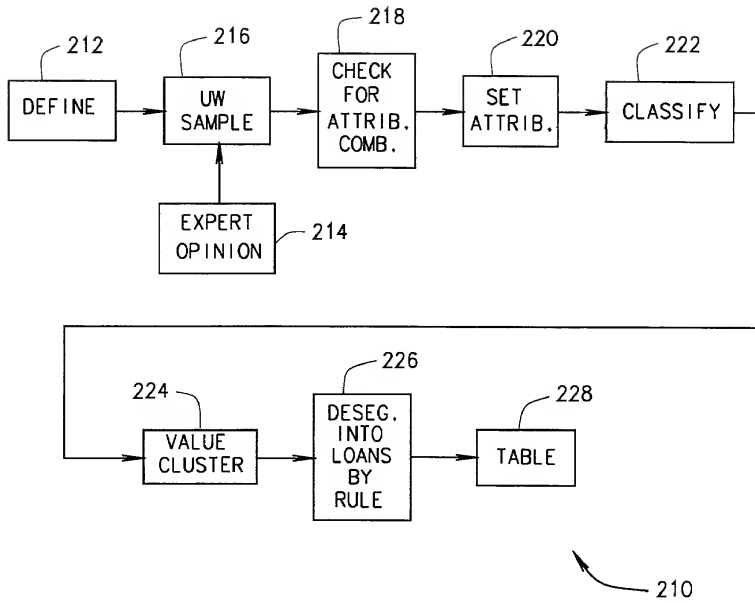


FIG. 6

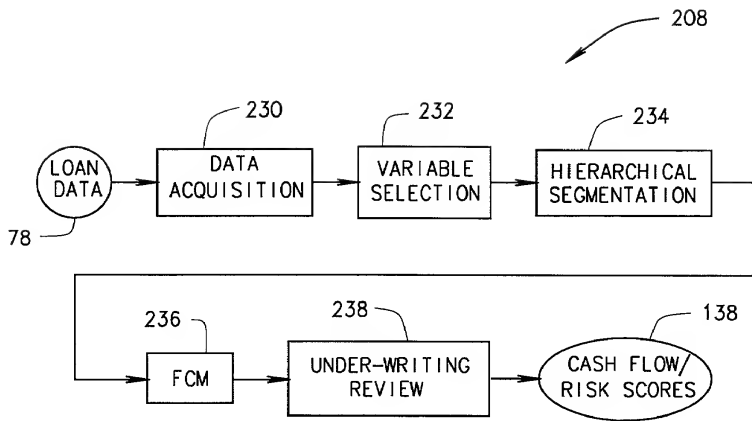


FIG. 7

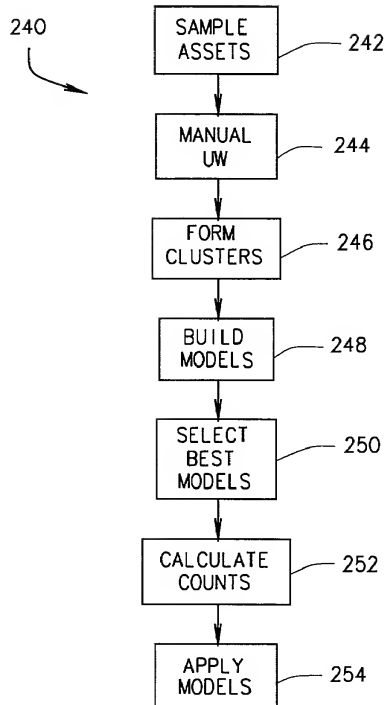


FIG. 8



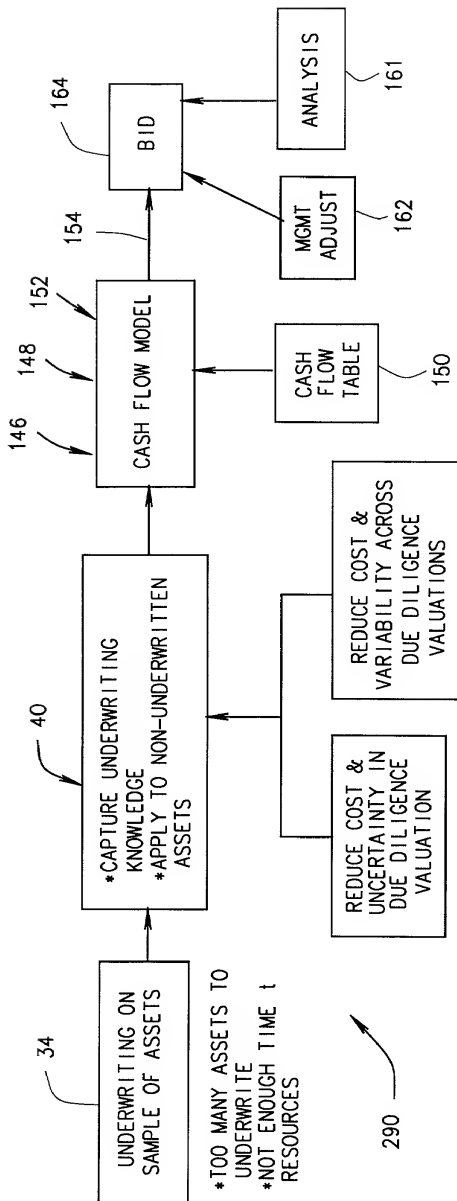


FIG. 9

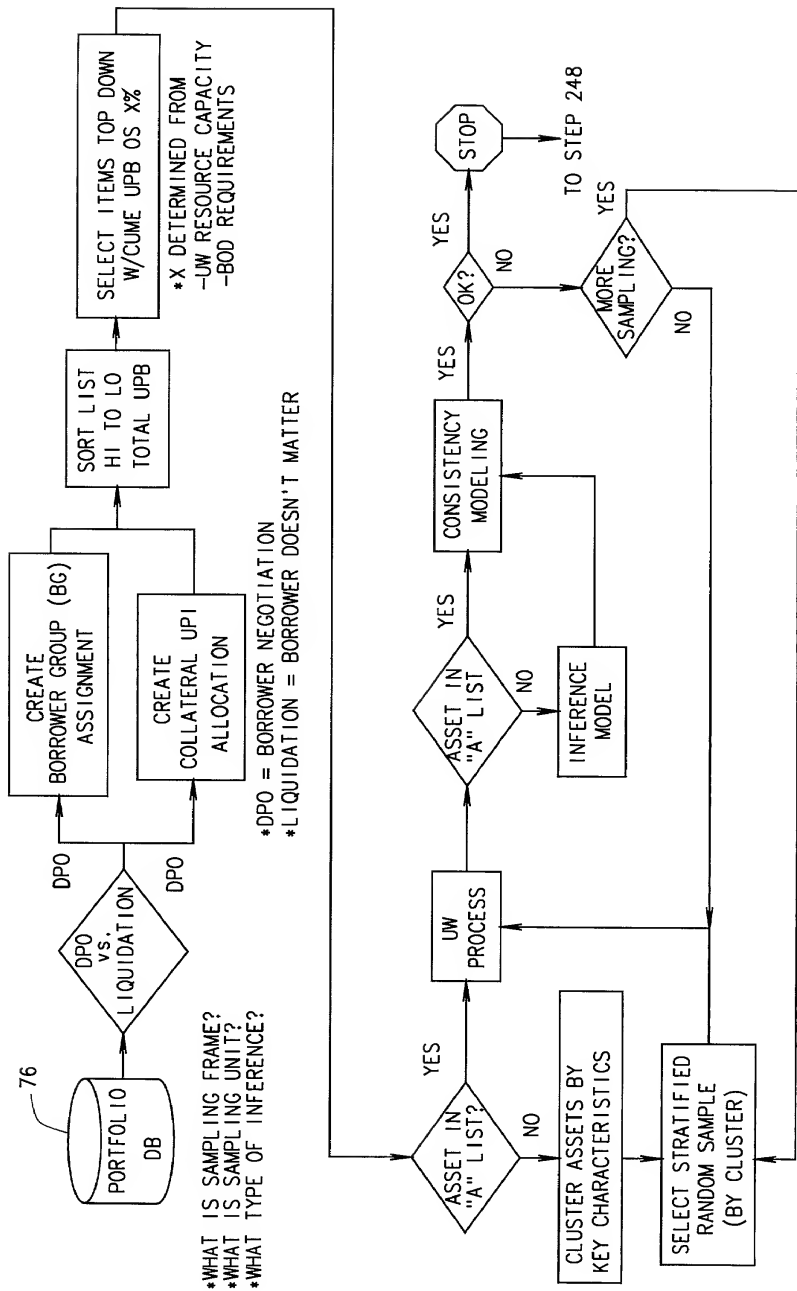


FIG. 10

6 MODELS BUILT:

- \*MODELS DIFFER BY WHICH VARIABLES USED
- \*UW ASSETS GET THE MINIMUM ERROR PREDICTION (ACTUAL-PREDICTED)

VARIABLES USED

- LAND AREA
- BLDG AREA
- OLD APPRAISAL
- GEN 1 PREDICTED CURRENT APPRAISAL
- GEN 1 PREDICTED REALIZED PRICE
- PROPERTY TYPE
- LOCATION
- BY-
- COM/RES
- GROUP (CLUSTER)

250

248

BUILD MODELS

	MODEL 1	MODEL 2	MODEL 3	MODEL 4	MODEL 5	MODEL 6
X	X		X	X	X	
X	X		X	X	X	
						X
X	X	X	X	X	X	
X	X	X	X	X	X	
X	X	X	X	X	X	
X	X	X	X	X	X	
X	X	X	X	X	X	X
X	X	X	X	X	X	X

MODEL "WEIGHTS":

- \*EACH CELL IS COUNT OF TIMES THE MODEL PRODUCED BEST PREDICTION FOR UW ASSETS
- \*DETERMINES WEIGHTS FOR AVERAGING PREDICTIONS FOR NON-UW ASSETS

	MODEL 1	MODEL 2	MODEL 3	MODEL 4	MODEL 5	MODEL 6	SUM
1	13	13	13	8	32	32	87
2	29	25	29	24	19	19	148
1	5	5	10	4	12	12	51
2	4	7	9	13	23	23	59
3	2	15	11	13	8	8	53
							163
1	16	13	11	15	21	21	86
2	29	22	29	24	19	19	150
1	5	8	4	11	12	14	51
2	8	9	10	15	19	19	59
3	6	16	5	20	2	2	54
							164

256

COURT AUCTION COMMERCIAL

TOTAL

252

MARKET VALUE COMMERCIAL

258

MARKET VALUE RESIDENTIAL

TOTAL

FIG. 11

VARIABLE	CATEGORY/VALUE RANGE	ENCODING SCHEME
LOAN SECURED	(YES, NO)	YES = 1, ELSE = 0
LOAN TYPE	(REVOLVING, NON-REVOLVING)	REVOLVING = 1 ELSE 0
LAST PAYMENT	(0, 250 MM)	0 IF LAST PAYMENT = 0 ELSE 1
NOTICE OF DEFAULT SENT		PRIOR TO JUN 97 EQUALS 1 ELSE 0
ORIGINAL MATURITY DATE		PRIOR TO JUN 97 EQUALS 1 ELSE 0
SYNDICATED LOAN	(YES, NO)	YES = 1, ELSE = 0
LOAN GUARANTEED	(YES, NO, NAV)	YES = 1, ELSE = 0
COLLECTION SCORE	(0, 1)	
LIEN POSITION	(-1, 0, 1)	1 IF LIEN POSITION = 1 ELSE 0
CURRENT UPAD BALANCE/ORIGINAL BALANCE	(0, 2.9)	NORMALIZED TO (0, 1)
LAST PAYMENT TO INTEREST/LAST PAYMENT	(0, 1)	

FIG. 12

80

138

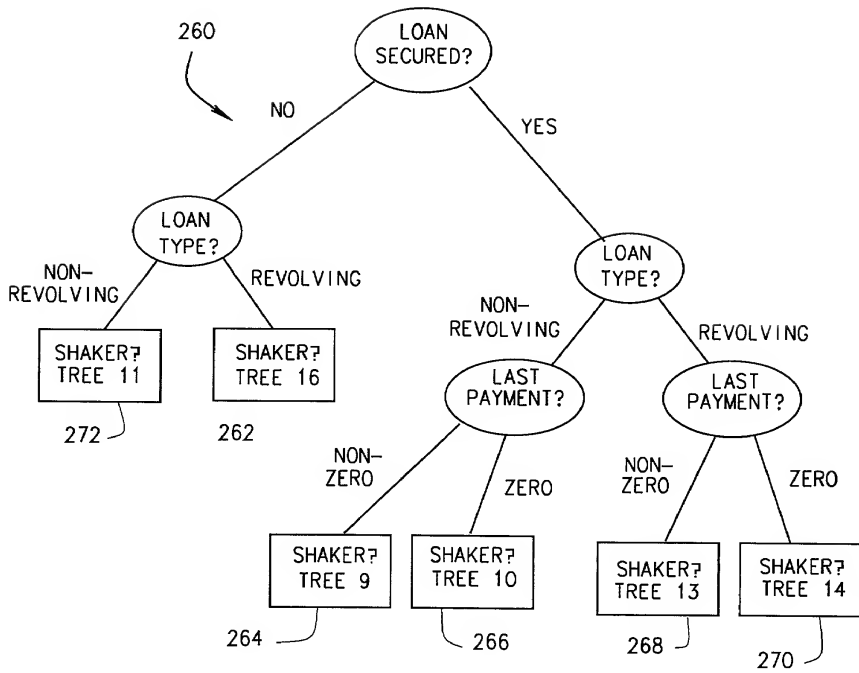


FIG. 13

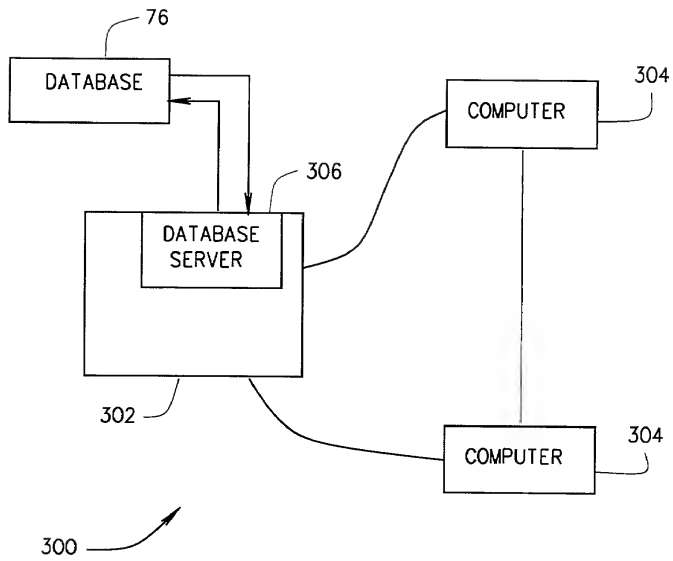


FIG. 14